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Independent Auditor's Report

To the Honorable Mayor and City Council
City of Midland, Michigan

We have audited the basic financial statements of the City of Midland, Michigan for the year ended June 30, 2005 and have issued our report thereon dated October 7, 2005. Those basic financial statements are the responsibility of the management of the City of Midland, Michigan. Our responsibility was to express an opinion on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the City of Midland, Michigan taken as a whole. The accompanying schedule of expenditures of federal awards, reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards, and supplementary schedules related to the Transportation Fund are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Plante & Moran, PLLC

October 7, 2005

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